

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7021**

**BILL NUMBER:** HB 1245

**DATE PREPARED:** Feb 5, 2002

**BILL AMENDED:** Feb 4, 2002

**SUBJECT:** Withholding from Pensions for Child Support.

**FISCAL ANALYST:** James Sperlik

**PHONE NUMBER:** 232-9866

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that benefit payments from certain pension funds are subject to withholding for child support.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** *Fiscal Impact:* For both the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF), two of the funds affected by this proposal, there likely will be increased costs associated with the implementation of this proposal. That is, there likely will be computer and programming changes required. In addition, additional staff may be required. The specific impact is indeterminable. The 1977 Police Officers' and Firefighters' Disability Fund also is affected by this proposal, as well as the Defined Benefit Fund of the Legislators' Retirement System. PERF administers both of these Funds.

For the State Police Benefit System, there likely will be increased costs associated with the implementation of this proposal. The specific fiscal impact is indeterminable. The funds affected are the State General Fund and the Motor Vehicle Highway Account, both of which support the State Police Benefit System equally.

*Background Information:* P.L. 119-2000 provides that both PERF and TRF are independent bodies corporate and politic. As a result, the funds pay their own administrative expenses and are not subject to review by the State Department of Personnel or the State Budget Agency. Both PERF and TRF operate from revenues generated from their investment income. The Boards of Trustees of PERF and TRF determine staffing levels and expenditure levels.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Fiscal Impact:* Also affected by this proposal are the 1925 Police

Pension Fund, the 1937 Firefighters' Pension Fund, the 1953 Police Pension Fund, and various county Sheriff plans. These plans are administered at the city, town, and county level. There likely will be increased costs associated with the implementation of this proposal at the local level.

**Explanation of Local Revenues:**

**State Agencies Affected:** Public Employees' Retirement Fund; Teachers' Retirement Fund; State Police Benefit System.

**Local Agencies Affected:** Those units with members in the various funds administered at the local level.

**Information Sources:** William Christopher, Director of TRF, 232-3869; William Butler, Executive Director of PERF, 233-4133.